

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2002-190

April 30, 2002

CENTRAL MAINE POWER COMPANY
Request for Approval of Affiliated Interest
Transaction with Union Water Power Company
For Installation of Fiber-Optic Cable

ORDER

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

I. SUMMARY

In this Order, we approve an affiliated interest transaction between Central Maine Power Company (CMP) and its affiliate Union Water Power Company (Union), through Union's "On-Target" business division, whereby On-Target will install approximately 16,000 feet of fiber optic cable along CMP distribution lines in Fairfield and Sidney, Maine.

II. BACKGROUND

On April 4, 2002, CMP filed a request for approval of an affiliated interest transaction with Union. The transaction involves installation of owner-furnished ADSS fiber cable and hardware in the Fairfield area. The first section is approximately a 15,500-foot run from CMP's Fairfield Service Building to Route 23 in Fairfield Center, with approximately 15,000 feet being pole mounted and 500 feet running through existing conduit. The second section is a run of approximately 40 feet along Route 23 ("Pond Road"), aerially mounted, in Sidney. The Company states that the project is designed to enhance internal communications, specifically intranet functions, between certain CMP facilities.

CMP issued a request for quotation (RFQ) on February 14, 2002 to four companies and received four bids, which were opened on March 1. On Target was selected as the low-cost vendor through the competitive bid process.

III. DECISION

A public utility may not arrange for the furnishing of any service with an affiliated interest until the Commission finds that the arrangement is not adverse to the public interest. 35-A M.R.S.A. § 707(3). In previous arrangements between Union and CMP approved by this Commission, the Commission has considered whether the arrangement has been made on an arm's-length basis. Entering into a contract with an affiliate based on that affiliate's submitting the lowest bid through a fair bidding process is one indicator that a transaction is arm's-length and likely not to be adverse to the public interest. The material submitted with CMP's petition indicates that a fair bidding

procedure took place and that On-Target was chosen based on its submitting the lowest bid.¹

Accordingly, we

O R D E R

That the arrangement between Central Maine Power Company and Union Water Power Company described in CMP's petition filed April 4 and April 10, 2002, is approved.

Dated at Augusta, Maine, this 30th day of April, 2002.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
 Diamond

COMMISSIONER ABSENT: Nugent

¹ The Hearing Examiner issued a Protective Order on April 9, 2002 covering the materials submitted by bidders as well as CMP's bid evaluation documents in response to the RFQ. CMP submitted the confidential information on April 10.

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 21 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.